



Comp Plan/LRTP 2030 UPDATE

Economic Development Focus Group

Final Report May 31st, 2006

Beginning April 4th, the 14 members of the Economic Development Focus Group met to discuss economic development issues in the Lincoln and Lancaster County area. The purpose of the focus group was to advise the Planning Department in the development of goals and strategies for the 2030 Comprehensive Plan update. The focus group members came from a variety of backgrounds in the business community and included:

Focus Group Members

- ★ Doug Ayars, Ayars & Ayars
- ★ Gene Carroll, developer and Planning Commission member (**Focus Group Chair**)
- ★ John Dittman, Cornhusker Bank
- ★ Ben Kiser, Nelnet
- ★ Thomas Klein, First National Bank
- ★ Don Linscott, CBRE-MEGA, realtor, developer
- ★ Richard Meginnis, NAI/FMA Realty
- ★ Darl Naumann, City of Lincoln Economic Development Coordinator
- ★ Randy Nitz, UNL Office of Technology: Business Development
- ★ Liz Ring, State Farm Insurance
- ★ Jill Schroeder, attorney, Baylor Evnen law firm
- ★ Will Scott, WRK LLC
- ★ Jason Smith, Lincoln Partnership for Economic Development
- ★ Tom Wanser, Hampton Development Services

The focus group members approved the following summary of their discussion.

Significant Findings

- Retention and expansion of existing businesses is the key to Lincoln's job growth. The greatest job growth in Lincoln is from existing businesses expanding.
- Most prospects looking for sites fall into a few categories:
 - a) small office space or call centers looking for 10 acres or smaller
 - b) large warehouse/ distribution
 - c) large office/ campus
- Overall, the community is not seeing any gains in manufacturing, which is mostly locating overseas, except for some gains in speciality fabrication.

- Office sites are very important to job growth for the community. The private sector is providing enough office sites. Currently, there is probably an excess of available office sites, but more should be developed over time. For warehouse and distribution, the challenge is finding 50 acre or larger sites with infrastructure that is ready to go.
- In addition to “Business Retention and Expansion,” attention needs to be paid to “Business Attraction and Recruitment” and marketing the community.
- Currently, many local businesses find it hard to expand or remain in Lincoln due to current and changing local regulations.
- Encouraging retail sales within the community helps recover the investments made in economic development and supports needed city services.

The focus group reviewed previous economic development information, including the AngelouEconomics report and concurs with the identified target businesses for market purposes, with the addition of “insurance and financial services” as noted below:

THE PRIMARY TARGET BUSINESSES FOR MARKETING PURPOSES AND ATTRACTION,

- **Biotechnology:** need to focus on retention and expansion of existing local companies and start-up companies, particularly those utilizing UNL technologies. The national market has numerous empty facilities and many jobs going overseas.
- **Value Added Agriculture:** Primary interest is in existing space that is USDA approved. Food research at UNL is vital to attracting and retaining these industries to Lincoln. Category could include renewable energy development, such as ethanol plants, though these plants are primarily locating outside Lancaster County.
- **Speciality Electronics:** Interested in smaller, existing space. Expanding or using the Foreign Trade Zone in Airpark area holds promise for this type of use. Mostly likely interested in buying land or existing space.
- **Technical Customer Support:** Often interested in retrofitting large vacant retail space (such as former grocery or discount stores). Interest in this category is returning after years of customer support jobs being sent overseas. New sites would be primarily smaller office space of 5 to 20 acres.
- **Logistics/Distribution/ Warehouse:** Growing industry, often asking for 100 to 200 acre sites. Often ask for land area that is double their need to address concerns about use of adjacent land. Want land adjacent or with easy access to Interstate 80.
- **Insurance and Financial Services:** The success with job expansion with of several local insurance companies point out the attractiveness of Lincoln. (The State of Nebraska state statutes and taxation policies provide a competitive advantage for the state for insurance companies, as witnessed by several out of state companies also locating in Nebraska.) Insurance companies are looking for mostly suburban office park locations, of 10 to 50 acres, but will also consider Downtown sites.

- **Entrepreneurship:** Lincoln has benefitted from entrepreneurs starting new businesses which have grown rapidly adding many jobs to the economy. More should be done to encourage entrepreneurs, to encourage efforts to utilize technology from UNL in the marketplace, and to promote entrepreneur education at UNL and Southeast Community College and other educational institutions at all levels.

Guiding Principles for Economic Development in Lincoln and Lancaster County

- The community's primary focus for economic development should be retention and expansion of existing businesses is the key to Lincoln's job growth. The greatest job growth in Lincoln is from existing businesses expanding.
- A strong Downtown is important to the economic future of the community. Downtown sites are considered by major corporate users, who will also look at suburban sites. The Downtown, UNL and Antelope Valley should function as a single, strong core for the city.
- Entertainment and recreational facilities are important to retain and attract young professionals. A new Downtown Arena and Convention Center is important to the future of the community and should be built as soon as possible.
- City should work with developers interested in providing new industrial and office development sites. These sites are important for new companies to come to town and to help existing businesses relocate within Lincoln rather than leave the area..
- The City should emphasize the creation of office sites as an important aspect of job growth for the community. Office uses want to be near retail and residential areas and need services such as restaurants and services in close proximity.
- Education and affordable housing are very important to employers considering Lincoln. Employers want to be sure their employees will be able to afford homes in the community and that there is a well educated work force.
- Economic development incentives should be offered for Primary jobs. Primary employers means where 50% of the end product sales or services of a business occur outside Lancaster County.
- The success of the University's research and development is important to the future of the city. The City and private sector should continue to support UNL's efforts to obtain grants for research.

Strategies for Economic Development

BUSINESS LOCATIONS

- The Comprehensive Plan currently identifies some larger sites for warehouse uses along I-80 at N. W. 48th Street and at N. 56th Street (Highway 77). Ultimately, the City may have to find a few new large warehouse sites, if the current sites are converted in the long term to residential, smaller warehouse sites or other uses.
- Lincoln has had more success in attracting office users to Lincoln than any other employer type.
- Office sites are very important to job growth for the community. The private sector is providing enough office sites compared to warehouse and industrial uses. Currently, there is an adequate amount of available office sites, but more needs to be developed over time.
- Office sites should be located in all areas of Lincoln. Proximity to the interstate or highway is not important for most office users. Office uses want to be near retail and residential areas and need services such as restaurants and services in close proximity.
- Industrial sites should be focused on the beltway (I-80, Highway 77, South and East Beltways). Highway 77, the “West Beltway” has potential for industrial sites. The South Beltway will probably be more attractive for office and retail development, because it will develop far before the East Beltway. Without the East Beltway connection to Interstate 80, the South Beltway is not as attractive for industrial. Ultimately the East Beltway will be a good location for industrial. The City should encourage the State to adopt this project and get it built sooner. The intersection of the West and South Beltway might be a good location for industrial sites in the future.

DOWNTOWN/ ANTELOPE VALLEY

- Adequate and affordable parking is a key to companies locating or expanding in the Downtown. When large office users are looking for sites, they will consider Downtown, but adequate parking is usually a stumbling block.
- The Downtown/ Antelope Valley area would benefit by having a single large 10 to 15 acre site to show major corporate office users. There is potentially a site between N and Capital Parkway and another site north of O Street that could be consolidated into a larger parcel.
- The West Haymarket offers a tremendous potential addition to the Downtown and should be pursued.
- Design standards or zoning overlay in the Downtown and Antelope Valley area should be implemented very soon. Developers will invest in this area, if they have some assurance of development quality on the adjacent property.
- A new Downtown Arena and Convention Center is important to the future of the community and should be built as soon as possible. The City should think long term and build an arena with at least 15,000 seats. There are plenty of events and conventions that would consider Lincoln if we

had a better arena. There has already been private sector interest in a new hotel and 60,000 sq. ft. of convention center space if a new arena were built.

- The State Fair Park property could be future economic development site, if the Fair is relocated.
- A public entity or public/private partnership will probably be necessary to acquire and hold property in the Downtown/ Antelope Valley area for future development. Site acquisition and consolidation is key for some development projects.
- Expansion of UNL research facilities on campus by the Beadle Center in Antelope Valley also provides an opportunity to retain students in the community and to attract private employers.
- Continue to work on collaborations and interaction between the City, local businesses and UNL. The University Tech Park is a great start, but interactions between UNL and the business community should expand.

FINANCING ECONOMIC DEVELOPMENT

- New Market Tax Credits (NMTC) provide a new tool to support development projects in specifically designated areas. The City should encourage and pursue their use.
- A “one stop” area should be developed where you can find information on entrepreneurs, venture capital and research – small businesses need a focal point, one place to go for information and assistance.
- Incentives should be offered for “primary” employers which, that is for companies where the majority of their business and sales come from outside Lancaster County.

GOVERNMENT’S ROLE

- The City can play an important role in consolidating properties into larger and more desirable development parcels.
- The use of eminent domain may be necessary in order to assemble property. The City should do a better job of explaining how the process works to the public and property owners.
- The City should not need to waive design standards to attract companies. Good developers will fit the local standards. Developers want a quality project. (Employers want a quality working environment.)
- Government regulations should be reviewed for their impact on existing businesses and their potential for expansion and retention.
- Continue to coordinate the City’s Economic Development efforts with the Lincoln Partnership for Economic Development.

- If LES is interested in providing digital services, they should compete on a level playing field with private companies.
- Extending new water and wastewater lines and providing infrastructure to new growth areas is important to job growth.
- Arterial streets are important to job growth. Lincoln needs to not only catch up on arterial street funding, but begin to build in advance which helps attract companies to a site. As Lincoln gets further behind on road needs, public support for funding is actually falling.
- The City and LPED should continue to work together to maintain an inventory of potential economic development sites and their current status in terms of zoning and infrastructure.
- The City or LPED should not develop and hold speculative sites – they should not compete with the private sector. However, both should support efforts by the private sector to develop sites, including marketing sites and city funding of infrastructure improvements.

Note: Some communities are buying land in order to give it away to attract new businesses. However, the Omaha Economic Development Corporation, is no longer preparing large sites as an incentive to attract large employers, since there is no way to recoup the initial investment. It may be difficult for the City or LPED to finance, even through bonds, the funding needed to buy a large site and give it away in order to attract a large employer. Developing a site with multiple smaller sites would be in direct competition with local developers. The private sectors is providing enough office and small industrial/warehouse sites in Lincoln.

POTENTIAL LARGE EMPLOYER OPPORTUNITY AREAS

- The City should pursue the concept in the draft 2030 Comprehensive Plan of identifying sites for “Potential Large Employer Opportunity Areas” – these areas would not be supplied with infrastructure initially, which would help hold down land costs, making them more attractive for large employers. However, the City should identify the infrastructure needs to serve the sites within 18 months, so that if a large employer did select this site, the City would be in a position to react more quickly to the needs. Providing infrastructure to these sites would impact the City’s 6 Year Capital Improvement Program.
- There are two “Potential Large Employer Opportunity Areas” along Highway 34 which could be possibly served in the next two years. A third site on N. 98th, between Fletcher and Havelock Ave (undeveloped land formerly owned by I. B. M.) may also have potential in the near term, but is not served with infrastructure today. A fourth site on S. 38th Street, south of the South Beltway, will not be available until after 2014 – the projected opening date of the beltway.